



General Assembly

January Session, 2007

Amendment

LCO No. 7902

SB0145107902SD0

Offered by:
SEN. DAILY, 33rd Dist.

To: Subst. Senate Bill No. **1451**

File No. 625

Cal. No. 506

***"AN ACT ESTABLISHING THE CONNECTICUT HOMECARE
OPTION PROGRAM FOR THE ELDERLY."***

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- 1 In line 10, strike "for the integral activities of"
- 2 Strike line 11 in its entirety and insert the following in lieu thereof:
- 3 ", (B) a homemaker or companion service that is registered with the
- 4 Department of Consumer Protection, (C) licensed transportation
- 5 services, or (D) a personal care assistant.
- 6 (4) "Instrumental activities of daily living" means activities related to
- 7 independent living necessary to maintain an individual in their home
- 8 or other noninstitutional setting, and includes, but is not limited to,
- 9 adult day care, chore services, companion services, meal preparation
- 10 or home-delivered meals, or transportation or homemaker services."
- 11 In line 12, strike "(4)" and insert in lieu thereof "(5)"
- 12 In line 15, strike "(5)" and insert in lieu thereof "(6)"

13 In line 16, after "provider" insert "for the instrumental activities of
14 daily living"

15 In line 17, strike "a licensed" and insert in lieu thereof "an eligible
16 home care"

17 In line 19, strike "(6)" and insert in lieu thereof "(7)"

18 Strike lines 20 to 28, inclusive, and insert the following in lieu
19 thereof:

20 "(b) There is established the Connecticut Homecare Option Program
21 for the Elderly, to allow individuals to plan for the cost of services that
22 will allow them to remain in their homes or in a noninstitutional
23 setting as they age. The Comptroller shall establish the Connecticut
24 Home Care Trust Fund, which shall be comprised of individual
25 savings accounts for those qualified home care expenses not covered
26 by a long-term care insurance policy and for those qualified home care
27 expenses that supplement the coverage provided by a long-term care
28 policy or Medicare. Withdrawals from the fund may be used for
29 qualified home care expenses, upon receipt by the fund of a
30 physician's certification that the designated beneficiary is in need of
31 services for the instrumental activities of daily living. Upon the death
32 of a designated beneficiary, any available funds in such beneficiary's
33 account shall be an asset of the estate of such beneficiary."

34 In line 38, strike "committed" and insert in lieu thereof "committee"

35 In line 43, strike "Treasurer" and insert in lieu thereof "Comptroller"

36 In line 54, strike "Treasurer" and insert in lieu thereof "Comptroller"

37 In line 55, strike "Notwithstanding sections 3-"

38 Strike line 56 in its entirety and insert in lieu thereof "The
39 Comptroller shall invest"

40 In line 60, strike "Treasurer" and insert in lieu thereof "Comptroller"

- 41 In line 64, strike "Treasurer" and insert in lieu thereof "Comptroller"
- 42 In line 66, strike "Treasurer" and insert in lieu thereof "Comptroller"
- 43 In line 78, strike "a licensed" and insert in lieu thereof "an eligible"
- 44 In line 79, strike "or transportation"
- 45 In line 96, strike "Treasurer" and insert in lieu thereof "Comptroller"
- 46 In line 99, strike "Treasurer" and insert in lieu thereof "Comptroller"
- 47 After the last section, add the following and renumber sections and
48 internal references accordingly:
- 49 "Sec. 501. Subparagraph (B) of subdivision (20) of subsection (a) of
50 section 12-701 of the general statutes is repealed and the following is
51 substituted in lieu thereof (*Effective October 1, 2007, and applicable to*
52 *taxable years commencing on or after January 1, 2007*):
- 53 (B) There shall be subtracted therefrom (i) to the extent properly
54 includable in gross income for federal income tax purposes, any
55 income with respect to which taxation by any state is prohibited by
56 federal law, (ii) to the extent allowable under section 12-718, exempt
57 dividends paid by a regulated investment company, (iii) the amount of
58 any refund or credit for overpayment of income taxes imposed by this
59 state, or any other state of the United States or a political subdivision
60 thereof, or the District of Columbia, to the extent properly includable
61 in gross income for federal income tax purposes, (iv) to the extent
62 properly includable in gross income for federal income tax purposes
63 and not otherwise subtracted from federal adjusted gross income
64 pursuant to clause (x) of this subparagraph in computing Connecticut
65 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
66 extent any additional allowance for depreciation under Section 168(k)
67 of the Internal Revenue Code, as provided by Section 101 of the Job
68 Creation and Worker Assistance Act of 2002, for property placed in
69 service after December 31, 2001, but prior to September 10, 2004, was
70 added to federal adjusted gross income pursuant to subparagraph (A)

71 (ix) of this subdivision in computing Connecticut adjusted gross
72 income for a taxable year ending after December 31, 2001, twenty-five
73 per cent of such additional allowance for depreciation in each of the
74 four succeeding taxable years, (vi) to the extent properly includable in
75 gross income for federal income tax purposes, any interest income
76 from obligations issued by or on behalf of the state of Connecticut, any
77 political subdivision thereof, or public instrumentality, state or local
78 authority, district or similar public entity created under the laws of the
79 state of Connecticut, (vii) to the extent properly includable in
80 determining the net gain or loss from the sale or other disposition of
81 capital assets for federal income tax purposes, any gain from the sale
82 or exchange of obligations issued by or on behalf of the state of
83 Connecticut, any political subdivision thereof, or public
84 instrumentality, state or local authority, district or similar public entity
85 created under the laws of the state of Connecticut, in the income year
86 such gain was recognized, (viii) any interest on indebtedness incurred
87 or continued to purchase or carry obligations or securities the interest
88 on which is subject to tax under this chapter but exempt from federal
89 income tax, to the extent that such interest on indebtedness is not
90 deductible in determining federal adjusted gross income and is
91 attributable to a trade or business carried on by such individual, (ix)
92 ordinary and necessary expenses paid or incurred during the taxable
93 year for the production or collection of income which is subject to
94 taxation under this chapter but exempt from federal income tax, or the
95 management, conservation or maintenance of property held for the
96 production of such income, and the amortizable bond premium for the
97 taxable year on any bond the interest on which is subject to tax under
98 this chapter but exempt from federal income tax, to the extent that
99 such expenses and premiums are not deductible in determining federal
100 adjusted gross income and are attributable to a trade or business
101 carried on by such individual, (x) (I) for a person who files a return
102 under the federal income tax as an unmarried individual whose
103 federal adjusted gross income for such taxable year is less than fifty
104 thousand dollars, or as a married individual filing separately whose
105 federal adjusted gross income for such taxable year is less than fifty

106 thousand dollars, or for a husband and wife who file a return under
107 the federal income tax as married individuals filing jointly whose
108 federal adjusted gross income for such taxable year is less than sixty
109 thousand dollars or a person who files a return under the federal
110 income tax as a head of household whose federal adjusted gross
111 income for such taxable year is less than sixty thousand dollars, an
112 amount equal to the Social Security benefits includable for federal
113 income tax purposes; and (II) for a person who files a return under the
114 federal income tax as an unmarried individual whose federal adjusted
115 gross income for such taxable year is fifty thousand dollars or more, or
116 as a married individual filing separately whose federal adjusted gross
117 income for such taxable year is fifty thousand dollars or more, or for a
118 husband and wife who file a return under the federal income tax as
119 married individuals filing jointly whose federal adjusted gross income
120 from such taxable year is sixty thousand dollars or more or for a
121 person who files a return under the federal income tax as a head of
122 household whose federal adjusted gross income for such taxable year
123 is sixty thousand dollars or more, an amount equal to the difference
124 between the amount of Social Security benefits includable for federal
125 income tax purposes and the lesser of twenty-five per cent of the Social
126 Security benefits received during the taxable year, or twenty-five per
127 cent of the excess described in Section 86(b)(1) of the Internal Revenue
128 Code, (xi) to the extent properly includable in gross income for federal
129 income tax purposes, any amount rebated to a taxpayer pursuant to
130 section 12-746, (xii) to the extent properly includable in the gross
131 income for federal income tax purposes of a designated beneficiary,
132 any distribution to such beneficiary from any qualified state tuition
133 program, as defined in Section 529(b) of the Internal Revenue Code,
134 established and maintained by this state or any official, agency or
135 instrumentality of the state, (xiii) to the extent allowable under section
136 12-701a, contributions to accounts established pursuant to any
137 qualified state tuition program, as defined in Section 529(b) of the
138 Internal Revenue Code, established and maintained by this state or
139 any official, agency or instrumentality of the state, (xiv) to the extent
140 properly includable in gross income for federal income tax purposes,

141 the amount of any Holocaust victims' settlement payment received in
142 the taxable year by a Holocaust victim, [and] (xv) to the extent
143 properly includable in gross income for federal income tax purposes of
144 an account holder, as defined in section 31-51ww, interest earned on
145 funds deposited in the individual development account, as defined in
146 section 31-51ww, of such account holder, and (xvi) to the extent
147 properly includable in the gross income for federal income tax
148 purposes of a designated beneficiary, as defined in section 1 of this act,
149 interest earned on contributions to accounts established for the
150 designated beneficiary pursuant to the Connecticut Homecare Option
151 Program for the Elderly established by sections 1 to 6, inclusive, of this
152 act.

153 Sec. 502. Subparagraph (B) of subdivision (20) of subsection (a) of
154 section 12-701 of the general statutes, as amended by section 71 of
155 public act 05-251 and section 77 of public act 06-186, is repealed and
156 the following is substituted in lieu thereof (*Effective October 1, 2007, and*
157 *applicable to taxable years commencing on or after January 1, 2008*):

158 (B) There shall be subtracted therefrom (i) to the extent properly
159 includable in gross income for federal income tax purposes, any
160 income with respect to which taxation by any state is prohibited by
161 federal law, (ii) to the extent allowable under section 12-718, exempt
162 dividends paid by a regulated investment company, (iii) the amount of
163 any refund or credit for overpayment of income taxes imposed by this
164 state, or any other state of the United States or a political subdivision
165 thereof, or the District of Columbia, to the extent properly includable
166 in gross income for federal income tax purposes, (iv) to the extent
167 properly includable in gross income for federal income tax purposes
168 and not otherwise subtracted from federal adjusted gross income
169 pursuant to clause (x) of this subparagraph in computing Connecticut
170 adjusted gross income, any tier 1 railroad retirement benefits, (v) to the
171 extent any additional allowance for depreciation under Section 168(k)
172 of the Internal Revenue Code, as provided by Section 101 of the Job
173 Creation and Worker Assistance Act of 2002, for property placed in
174 service after December 31, 2001, but prior to September 10, 2004, was

175 added to federal adjusted gross income pursuant to subparagraph
176 (A)(ix) of this subdivision in computing Connecticut adjusted gross
177 income for a taxable year ending after December 31, 2001, twenty-five
178 per cent of such additional allowance for depreciation in each of the
179 four succeeding taxable years, (vi) to the extent properly includable in
180 gross income for federal income tax purposes, any interest income
181 from obligations issued by or on behalf of the state of Connecticut, any
182 political subdivision thereof, or public instrumentality, state or local
183 authority, district or similar public entity created under the laws of the
184 state of Connecticut, (vii) to the extent properly includable in
185 determining the net gain or loss from the sale or other disposition of
186 capital assets for federal income tax purposes, any gain from the sale
187 or exchange of obligations issued by or on behalf of the state of
188 Connecticut, any political subdivision thereof, or public
189 instrumentality, state or local authority, district or similar public entity
190 created under the laws of the state of Connecticut, in the income year
191 such gain was recognized, (viii) any interest on indebtedness incurred
192 or continued to purchase or carry obligations or securities the interest
193 on which is subject to tax under this chapter but exempt from federal
194 income tax, to the extent that such interest on indebtedness is not
195 deductible in determining federal adjusted gross income and is
196 attributable to a trade or business carried on by such individual, (ix)
197 ordinary and necessary expenses paid or incurred during the taxable
198 year for the production or collection of income which is subject to
199 taxation under this chapter but exempt from federal income tax, or the
200 management, conservation or maintenance of property held for the
201 production of such income, and the amortizable bond premium for the
202 taxable year on any bond the interest on which is subject to tax under
203 this chapter but exempt from federal income tax, to the extent that
204 such expenses and premiums are not deductible in determining federal
205 adjusted gross income and are attributable to a trade or business
206 carried on by such individual, (x) (I) for a person who files a return
207 under the federal income tax as an unmarried individual whose
208 federal adjusted gross income for such taxable year is less than fifty
209 thousand dollars, or as a married individual filing separately whose

210 federal adjusted gross income for such taxable year is less than fifty
211 thousand dollars, or for a husband and wife who file a return under
212 the federal income tax as married individuals filing jointly whose
213 federal adjusted gross income for such taxable year is less than sixty
214 thousand dollars or a person who files a return under the federal
215 income tax as a head of household whose federal adjusted gross
216 income for such taxable year is less than sixty thousand dollars, an
217 amount equal to the Social Security benefits includable for federal
218 income tax purposes; and (II) for a person who files a return under the
219 federal income tax as an unmarried individual whose federal adjusted
220 gross income for such taxable year is fifty thousand dollars or more, or
221 as a married individual filing separately whose federal adjusted gross
222 income for such taxable year is fifty thousand dollars or more, or for a
223 husband and wife who file a return under the federal income tax as
224 married individuals filing jointly whose federal adjusted gross income
225 from such taxable year is sixty thousand dollars or more or for a
226 person who files a return under the federal income tax as a head of
227 household whose federal adjusted gross income for such taxable year
228 is sixty thousand dollars or more, an amount equal to the difference
229 between the amount of Social Security benefits includable for federal
230 income tax purposes and the lesser of twenty-five per cent of the Social
231 Security benefits received during the taxable year, or twenty-five per
232 cent of the excess described in Section 86(b)(1) of the Internal Revenue
233 Code, (xi) to the extent properly includable in gross income for federal
234 income tax purposes, any amount rebated to a taxpayer pursuant to
235 section 12-746, (xii) to the extent properly includable in the gross
236 income for federal income tax purposes of a designated beneficiary,
237 any distribution to such beneficiary from any qualified state tuition
238 program, as defined in Section 529(b) of the Internal Revenue Code,
239 established and maintained by this state or any official, agency or
240 instrumentality of the state, (xiii) to the extent allowable under section
241 12-701a, contributions to accounts established pursuant to any
242 qualified state tuition program, as defined in Section 529(b) of the
243 Internal Revenue Code, established and maintained by this state or
244 any official, agency or instrumentality of the state, (xiv) to the extent

245 properly includable in gross income for federal income tax purposes,
246 the amount of any Holocaust victims' settlement payment received in
247 the taxable year by a Holocaust victim, (xv) to the extent properly
248 includable in gross income for federal income tax purposes of an
249 account holder, as defined in section 31-51ww, interest earned on
250 funds deposited in the individual development account, as defined in
251 section 31-51ww, of such account holder, (xvi) to the extent properly
252 includable in the gross income for federal income tax purposes of a
253 designated beneficiary, as defined in section 1 of this act, interest
254 earned on contributions to accounts established for the designated
255 beneficiary pursuant to the Connecticut Homecare Option Program for
256 the Elderly established by sections 1 to 6, inclusive, of this act, and
257 [(xvi)] (xvii) to the extent properly included in gross income for federal
258 income tax purposes, fifty per cent of the income received from the
259 United States government as retirement pay for a retired member of (I)
260 the Armed Forces of the United States, as defined in Section 101 of
261 Title 10 of the United States Code, or (II) the National Guard, as
262 defined in Section 101 of Title 10 of the United States Code."